

Annual Commodity Price Hedging Report as per BY-LAW NO. 2008 – 426

The 2016 budget price for diesel fuel was \$0.985 per litre. Forecast volumes were 57.2 million litres for a total budget of approximately \$56.6 million. Actual volumes were 52.6 million litres and the average price was \$0.855 for a total cost of approximately \$45.0 million generating savings of approximately \$11.6 million versus the budget. Floating rate prices averaged \$0.729 per litre in 2016. The 2016 cost of hedging was \$0.126 per litre for a total all-in cost of \$0.855 per litre.

- 2016 - To secure the 2016 budget target, Treasury, in conjunction with Supply and Transit, entered Bank Swap Agreements with Canadian Imperial Bank of Commerce (CIBC), Royal Bank of Canada (RBC) and National Bank of Canada (NBC) to fix 73% of the forecasted diesel fuel consumption for 2016.
- 2017 and 2018 - Treasury, in conjunction with the Supply Branch and Transit Services, entered into Bank Swap Agreements to fix 67% of 2017 and 23% of 2018 anticipated diesel fuel consumption.
- Future dated Bank Swaps held by the City had a mark-to-market value of \$2.627 million in the City's favor as at December 31, 2016

All agreements entered during 2016 are consistent with the City's statement of policies and goals relating to the use of Financial Agreements to address commodity pricing and costs.

Statement of outstanding transactions as of December 31, 2016

ID	Bank	Litres/month (1000's)	Fixed Price (\$)	Maturity schedule	Total Months	Total Litres (1,000's)
2015-10	NBC	1,000	0.65	Jan 17 - Mar 17	3	3,000
2015-17	RBC	250	0.60	Jan 17 - Jun 17	6	1,500
2015-18	CIBC	250	0.60	Jan 17 - Jun 17	6	1,500
2015-19	RBC	250	0.60	Apr 17 - Jun 17	3	750
2015-20	NBC	250	0.60	Apr 17 - Jun 17	3	750
2015-22	RBC	250	0.60	July 17 - Sept 17	3	750
2015-23	RBC	250	0.59	Jan 17 - Mar 17	3	750
2015-25	NBC	250	0.59	Jan 17 - Mar 17	3	750
2015-26	NBC	250	0.60	July 17 - Sept 17	3	750
2015-28	RBC	250	0.60	Oct 17 - Dec 17	3	750
2015-29	NBC	250	0.5982	Oct 17 - Dec 17	3	750
2016-4	CIBC	500	0.547	Jan 17 - Dec 17	12	6,000
2016-5	NBC	750	0.5275	Jan 17 - Mar 17	3	2,250
2016-6	RBC	750	0.5325	Apr 17 - Jun 17	3	2,250

ID	Bank	Litres/month (1000's)	Fixed Price (\$)	Maturity schedule	Total Months	Total Litres (1,000's)
2016-7	NBC	250	0.578	Jan 17 - Dec 17	12	3,000
2016-8	RBC	1,000	0.571	Apr 17 - Jun 17	3	3,000
2016-9	RBC	1,000	0.5854	Jun 17 - Dec 17	6	6,000
2016-11	CIBC	1,250	0.5492	Jul 17 - Sep 17	3	3,750
2016-10	NBC	1,000	0.5656	Jan 18 - Mar 18	3	3,000
2016-12	CIBC	500	0.56	Jan 18 - Jun 18	6	3,000
2016-13	CIBC	500	0.565	Jan 18 - Dec 18	12	6,000